GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1870
ANSWERED ON:01.08.2003
PILFERAGE OF FOODGRAINS
GADDE RAMAMOHAN;NAWAL KISHORE RAI;RAGHUNATH JHA;SHEESH RAM SINGH RAVI;SUSHIL KUMAR INDORA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `FCIeats up, is always hungry for more` appearing in `Indian Express` dated May 10, 2003;

(b) if so, the facts of the matter reported therein;

(c) the action taken against those held responsible; and

(d) the preventive measures taken against such recurrence?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SU MAHARIA)

(a) & (b): Yes, Sir. The News Report of 10th May, 2003 (Indian Express) contains theobservations of the latest CAG Report No.4 of 2003. The facts are as follows:-

(i) Losses occur in transit, inter-alia on account of multiple handling, long distance carriage, trans-shipment and loss of moisture. As per the records of the Food Corporation ofIndia (FCI) the losses in transit between the period 1997-98 to 2000-2001 were about Rs.758.68 crore.

(ii) Storage losses occur due to driage of moisture, long duration of storage, bird/rodent menace and theft. Storage loss of Rs.2,233 crore reported is for the period 1982-83 to 1999-2000 (i.e. for 18 years).

(iii) The total purchase of levy rice from 1997-98 to 2000-2001 was 372.89 lakh MTs and as per CAG, the substandard procurement of rice was 3.67 lakh MTs. Thus the percentage works out to 0.98% only.

(iv) In Punjab, procurement is made through Kacha Arthias registered with the Market Committeesestablished under the relevant law. That is the reason the relevant column relating to payment to farmers, was kept blank. This, however, does not mean that prompt payments were not made to the farmers.

(v) The Budget Estimate ofthe food subsidy for 2003-04 is Rs.27,750 crore. The increase in subsidy over the years was due to various reasons such as increase in MSP, higher levels of buffer stocks due to increased level of procurement, and high off-take leading to higher consumer subsidy, normal inflationary trends, etc.

(vi) The figure of 4997 Vigilance Cases pending in FCI since 1997 quoted in the Audit Reportappear to have been calculated by the addition of all closing balances of pending Vigilance Cases in the FCI. The number of Vigilance cases pending as on 31.12.2001 was only 1663.

(vii) The FCI could not finalise its accounts uptodate as earlier there was a dispute between the FCI and the Principal AuditorsAfter an amendment in the Food Corporations Act in June,2000 the C&AG became the sole auditor. The accounts of the FCI have since been certified by the C&AG upto 1999-2000.The backlog is only for the years 2000-01 and 2001-02, the accounts for which are currently under audit.

(c) & (d): The operations of the FCI are monitored by the Government from time to time andthe guidelines and instructions are enforced strictly in order to plug the loopholes. Wherever specific irregularities have been noticed, action has been initiated under Staff Regulations/ Vigilance procedures to fix responsibility. The penalties vary from stoppage of increment, reduction to lower ranks, dismissal from service, etc. Criminal action is also taken, wherever warranted.

The FCI has been taking various preventive measures like surprise inspection of depots,augmentation of covered storage capacity, installation of electronic weigh bridges, deployment of Central Industrial Security Force personnel at vulnerable depots, etc.Further, instruction are issued to field functionaries for procurement of foodgrains strictly as per the specifications laid down, for disposal of all pending disciplinary cases in a time bound fashion etc.